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ARIZONA LIVESTOCK

September 2000

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RELEASE DATES FOR UPCOMING NATIONAL REPORTS

October 16 . . . . Milk Production
October 20 . . . . Cattle on Feed
October 20 . . . . Livestock Slaughter
October 31 . . . . Agricultural Prices

CATTLE ON FEED

On September 1, 2000, Arizona had 257,000 head of cattle on feed for the slaughter market, up 29 percent from a year ago but down 5,000 head from August 1. During August, 33,000 head were marketed, compared to 22,000 last August. Placements totaled 29,000 head, the same as August 1999.

On September 1, 2000, California had 415,000 head of cattle on feed for the slaughter market, up 11 percent from a year ago but down 1 percent from last month. During August, 57,000 head were marketed, 2,000 more than last year. Placements totaled 56,000 head, 7 percent less than in August 1999.

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 10.38 million head on September 1, 2000. The inventory was 9 percent above September 1, 1999 and 2 percent above last month. Placements in feedlots during August totaled 2.44 million, slightly above 1999 and 18 percent above 1998. Net placements were 2.39 million. During August, placements of cattle and calves weighing less than 600 pounds were 573,000, 600-699 pounds were 504,000, 700-799 pounds were 691,000, and 800 pounds and greater were 672,000. Marketings of fed cattle during August totaled 2.19 million, 7 percent above 1999 and 11 percent above 1998. Other disappearance totaled 49,000 during August, 11 percent below 1999 and 6 percent below 1998.

Cattle on feed September 1, 2000, in the historic 7 States for feedlots with capacity of 1,000 or more head totaled 8.98 million, up 10 percent from the previous year and 16 percent above September 1, 1998. Placements in feedlots during August totaled 2.09 million, slightly above 1999 and 18 percent above 1998. Marketings during August totaled 1.89 million, 8 percent above 1999 and 12 percent above 1998. Other disappearance during August was 36,000 head, 14 percent below 1999 and 1998.

CATTLE ON FEED: NUMBER ON FEED (1,000+ CAPACITY FEEDLOTS) AUGUST 1, 2000 AND SEPTEMBER 1, 1999 AND 2000, PLACEMENTS, MARKETINGS, AND OTHER DISAPPEARANCE AUGUST 1999 AND 2000 BY STATE, UNITED STATES, AND HISTORIC 7 STATES

STATE 1/	Number on Feed 2/					Placements During August			Marketings During August			Other Disappearance During August3/		
	Sep 1, 1999	Aug 1, 2000	Sep 1, 2000 Number	Sep 1, 2000 as % of 1999	Sep 1, 2000 as % of Aug	1999	2000	2000 as % of 1999	1999	2000	2000 as % of 1999	1999	2000	2000 as % of 1999
	1,000 Head			Percent		1,000 Head		Percent	1,000 Head		Percent	1,000 Head		Percent
***AZ**	**200**	**262**	**257**	**129**	**98**	**29**	**29**	**100**	**22**	**33**	**150**	**1**	**1**	**100**
*CA	375	420	415	111	99	60	56	93	55	57	104	5	4	80
*CO	960	1,050	1,080	113	103	255	300	118	250	265	106	5	5	100
ID	285	280	290	102	104	79	73	92	58	60	103	1	3	300
*IA	300	330	330	110	100	56	51	91	45	50	111	1	1	100
*KS	2,090	2,190	2,220	106	101	575	530	92	465	490	105	10	10	100
*NE	1,700	1,840	1,920	113	104	500	495	99	390	410	105	10	5	50
NM	81	93	90	111	97	14	18	129	14	17	121	2	4	200
OK	350	355	375	107	106	98	98	100	70	76	109	3	2	67
SD	110	126	128	116	102	21	35	167	35	32	91	1	1	100
*TX	2,560	2,720	2,760	108	101	610	630	103	520	580	112	10	10	100
WA	215	194	204	95	105	66	58	88	49	47	96	4	1	25
Other Sts	310	320	315	102	98	65	67	103	73	70	96	2	2	100
US	9,536	10,180	10,384	109	102	2,428	2,440	100	2,046	2,187	107	55	49	89

1/ States indicated with an asterisk are the historic seven states preparing monthly estimates of cattle on feed.
2/ Cattle and calves on feed are animals for slaughter market being fed a ration of grain or other concentrates and are expected to produce a carcass that will grade select or better.
3/ Includes death losses, movement from feedlots to pasture, and shipments to other feedlots for further feeding.

MILK COWS AND PRODUCTION: BY STATE, AUGUST 1999-2000

STATE	Milk Cows 1/		Milk Per Cow 2/		Milk Production 2/		
	1999	2000	1999	2000	1999	2000	Percent Change From 1999
	1,000 Head		Pounds		Million Lbs		Percent
AZ	**135**	**140**	**1,580**	**1,555**	**213**	**218**	**2.3**
CA	1,472	1,533	1,770	1,760	2,605	2,698	3.6
FL	158	156	1,045	1,080	165	168	1.8
ID	324	357	1,770	1,810	573	646	12.7
IL	121	120	1,280	1,400	155	168	8.4
IN	136	151	1,300	1,420	177	214	20.9
IA	246	215	1,400	1,510	302	325	7.6
KY	132	133	975	1,030	129	137	6.2
MI	303	301	1,530	1,600	464	482	3.9
MN	550	530	1,385	1,425	762	755	-0.9
MO	157	153	1,000	1,130	157	173	10.2
NM	235	255	1,635	1,730	384	441	14.8
NY	702	690	1,450	1,470	1,018	1,014	-0.4
OH	259	263	1,440	1,455	373	383	2.7
PA	615	619	1,455	1,485	895	919	2.7
TX	346	348	1,095	1,185	379	412	8.7
VT	160	161	1,430	1,470	229	237	3.5
VA	121	120	1,280	1,300	155	156	0.6
WA	247	247	1,915	1,935	473	478	1.1
WI	1,366	1,352	1,410	1,460	1,926	1,974	2.5
20-State Total	7,755	7,844	1,487	1,530	11,534	11,998	4.0

1/ Includes dry cows. Excludes heifers not yet fresh.
2/ Excludes milk sucked by calves.

COMMERCIAL RED MEAT PRODUCTION: ARIZONA AND U.S., AUGUST 1999 AND 2000 AND JULY 2000 1/

CLASS	August 1999	July 2000	August 2000	August 2000 as % of 2/	
				August 1999	July 2000
		1,000 Lbs		Percent	
ARIZONA 3/					
Total Red Meat	**29,200**	**33,600**	**35,100**	**120**	**105**
		Million Lbs		Percent	
UNITED STATES					
Beef	2,307	2,202	2,437	106	111
Veal	20	18	17	89	96
Pork	1,565	1,408	1,641	105	117
Lamb and Mutton	19	16	18	97	115
Total Red Meat	3,910	3,643	4,114	105	113

1/ Based on packers' dressed weights and excludes farm slaughter.
2/ Accumulated totals and percentages based on unrounded data.
3/ Breakdown by class not available, includes total beef, veal, pork, lamb, and mutton.

COMMERCIAL LIVESTOCK SLAUGHTER: ARIZONA, AUGUST 2000 AND U.S., JANUARY-AUGUST 2000 1/

SPECIES	ARIZONA			UNITED STATES		
	August			January-August		
	Number Slaughtered	Total Live Weight	Average Live Weight 2/	Number Slaughtered	Total Dressed Weight	Average Live Weight 2/
	1,000 Head	1,000 Lbs	Pounds	1,000 Head	1,000 Lbs	Pounds
Cattle	48.4	58,404	1,206	24,421.8	17,988	1,215
Calves 3/				757.0	145	318
Hogs	0.4	87	224	64,104.5	12,344	261
Sheep 3/				2,310.0	155	135

1/ Includes slaughter under federal inspection and other commercial slaughter, excludes farm slaughter.
2/ Average liveweights based on unrounded data.
3/ Not published to avoid disclosing individual operations but included in U.S. total.

DECLINE IN CATTLE INVENTORY TO CONTINUE

The decline in cattle inventories that began in 1996 is likely to continue at least through 2001. Cattle and beef cow inventories were both down 1 percent from a year earlier on July 1, with beef cow replacement heifers down 2 percent. Although beef cow slaughter is down, the number of heifers retained for breeding and the number of heifers calving and entering the cow herd continue to decline. Large numbers of heifers were placed on feed rather than retained for the breeding herd in 1999 and were slaughtered in first-half 2000. Although cattle prices are attractive, drought has resulted in producers continuing to place many heifers in feedlots, which will add to beef supplies early next year. Before the cattle inventory can start to stabilize, heifer retention has to begin--a process that will not be underway until 2001.

Poor pasture-range conditions due to drought in the South and West have been forcing lighter weight cattle into feedlots since early summer. During August, drought conditions worsened in these areas and spread into the Central Plains.

Feeder cattle supplies outside feedlots and available for grazing programs and placement on feed continue to decline--supplies outside feedlots on July 1 were down nearly 3 percent from a year earlier. Dry pasture conditions forced early weaning of this year's calf crop, and many were placed on feed given the attractive grain prices. Prices for feeder cattle (600-650 pounds) averaged $94 per cwt in August, $12 above a year earlier, while corn prices averaged $1.48 per bushel, down $0.27.

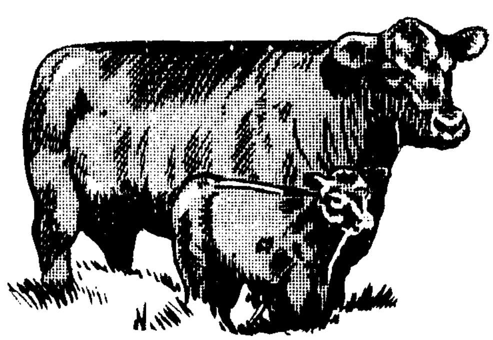
Cattle-on-feed inventories for feedlots with over 1,000 head of capacity on September 1 in the historic seven-states were up 10 percent from a year earlier and 16 percent above 2 years ago. Feedlot placements during August remained record large, while feedlot marketings rose 8 percent. The largest increases were in the under-700-pound category as drought forced early weaning of calves. In July, many cattle weighing over 800 pounds may have been heifers that producers had originally intended to retain for the breeding herd. Large numbers of lightweight stocker cattle have been imported from Mexico to supplement declining U.S. inventory of feeder calves.

Beef production will set another record in 2000 as slaughter weights are sharply above last year's record and continued large numbers of feedlot placements of 800+ pound cattle add to already large supplies. Production will likely rise 1-2 percent this year from the 1999 record. Cow slaughter continues to decline, but steer and heifer slaughter remains large.

Production in first-half 2001 continues to be revised upward as more cattle are forced into feedlots, but second-half production estimates for next year are pulled back to compensate for larger first-half marketings. Fewer calves are likely to be placed on fall-winter grazing programs unless forage conditions improve quickly. Low grain prices and continued strong fed-cattle prices (though declining seasonally) are encouraging large feedlot placements. Fed-cattle marketings may decline very little until second-half 2001 and only then if grazing conditions this fall begin to improve. First-half beef production is likely to decline 2-3 percent from a year earlier, while second-half production may decline 5-9 percent. Improved forage conditions and stronger heifer retention for breeding could pull 2001 production down even more.

Fed-cattle prices began to stabilize in late August through mid-September following early August lows as the market began absorbing larger supplies of higher quality beef. The price spread between Choice and Select beef declined from near $15 per cwt in May-June to $4 in August. The market is now testing just how much additional demand exists for higher quality beef in the hotel-restaurant-export market and how much could be sold through typical retail outlets as supplies become available. The Choice-Select spread widened to $6 in early September. Fed-cattle prices averaged in the mid-$60's this summer, and are expected to rise to the upper $60's this fall and into the $70's in 2001.

Source: Ron Gustafson (202) 694-5174 ronaldg@ers.usda.gov, Agriculture Outlook, ERS, USDA, September 21,2000 Decline in Cattle Inventory to Continue



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Prices Received Index Up 1 Point

The preliminary All Farm Products Index of Prices Received in September was 99 based on 1990-92=100, up 1 point (1.0 percent) from the August index. Higher prices for lettuce, broilers, milk, and tobacco were partially offset by the decrease in prices for eggs, hogs, potatoes, and grapes. The seasonal change in the mix of commodities farmers sell often affects the overall index. Lower seasonal marketings of cattle, broilers, grapes, and wheat were partially offset by higher marketings of soybeans, peanuts, corn, apples and potatoes. These marketing changes kept the index from increasing more than 1 point.

Compared with September 1999, the All Farm Products Index was 3 points (3.1 percent) higher. Price increases from September 1999 for lettuce, hogs, broilers, and cattle were partially offset by lower prices for milk, corn, oranges, and wheat.

Prices Paid Index Down 1 Point

The September Index of Prices Paid for Commodities and Services, Interest, Taxes, and Farm Wage Rates (PPITW) was 118 percent of the 1990-92 average. The index is down 1 point (0.8 percent) from August but was 3 points (2.6 percent) greater than September 1999. Lower prices in September for complete feeds, feed concentrates, feeder cattle, and gasoline more than offset higher prices for diesel fuel, hay and forages, nitrogen fertilizers, and feed grains.

PRICES RECEIVED BY FARMERS: ARIZONA AND U.S., SEPTEMBER 1999 AND 2000 AND AUGUST 2000

COMMODITY	UNIT	ARIZONA			UNITED STATES		
		September 1999 Entire Month	August 2000 Entire Month	September 2000 Mid-Month	September 1999 Entire Month	August 2000 Entire Month	September 2000 Mid-Month
Upland Cotton 1/	¢ Lb	2/	2/	2/	46.2	51.3	49.0
All Wheat 3/	$ Cwt	---	---	---	4.28	2.41	2.43
Durum Wheat 3/	$ Cwt	---	---	---	3.83	2.31	2.38
Winter Wheat 3/	$ Cwt	---	---	---	4.10	2.33	2.20
All Hay Baled	$ Ton	4/ 75.00	4/ 80.50	90.00	4/ 74.50	4/ 80.50	82.70
Alfalfa Hay Baled	$ Ton	4/ 75.00	4/ 83.90	90.00	4/ 77.30	4/ 83.90	87.20
Other Hay Baled	$ Ton	5/	4/ 68.50	88.00	4/ 63.70	4/ 68.50	67.80
Lemons 6/	$ Box	40.30	5/	32.40	40.30	5/	32.10
Cows 7/	$ Cwt	35.80	39.40	36.40	34.60	39.00	37.30
Steers and Heifers	$ Cwt	65.60	64.00	64.00	67.10	68.00	68.70
Beef Cattle 8/	$ Cwt	65.30	63.80	63.70	63.80	65.50	65.70
Calves	$ Cwt	91.00	103.00	103.00	90.90	106.00	104.00
All Milk 9/	$ Cwt	16.10	12.30	12.50	15.80	12.60	12.90

1/ Includes both spot and contract sales.
2/ Price not published to avoid disclosure of individual operations.
3/ Not available for Arizona.
4/ Mid-month..
5/ Insufficient sales to determine a price.
6/ F.O.B. packed fresh Arizona box weights: Lemons 76 lbs.
7/ Beef cows and cull dairy cows sold for slaughter.
8/ "Cows" and "steers and heifers" combined.
9/ Preliminary; before deductions for hauling. Includes quality, quantity and other premiums. Excludes hauling subsidies.

U.S. PRICE INDEX SUMMARY TABLE

INDEX 1990-92 = 100	1999		2000	
	August	September	August	September
Prices Received	99	96	98	99
Prices Paid	115	115	119	118
Ratio 1/	86	83	82	84

1/ Ratio of index of prices received by farmers to index of prices paid.